

# HOUSE BILL No. 1288

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 20-12.

**Synopsis:** Tuition rates for state educational institutions. Limits the amount by which a state higher education institution may increase the tuition for an undergraduate student who is an Indiana resident for four academic years following the academic year in which the student first enrolls in the institution. Allows a state higher education institution to adopt a policy limiting tuition increases for nonresident undergraduate students.

**Effective:** July 1, 2004.

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January 15, 2004, read first time and referred to Committee on Education.

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Introduced

Second Regular Session 113th General Assembly (2004)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2003 Regular Session of the General Assembly.

## HOUSE BILL No. 1288

A BILL FOR AN ACT to amend the Indiana Code concerning education.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 20-12-23-2, AS AMENDED BY P.L.115-2002,  
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2004]: Sec. 2. (a) The board of trustees of the state university  
4 shall be nine (9) in number.  
5 (b) This subsection does not apply to the student trustee appointed  
6 under IC 20-12-24-3.5. Not more than:  
7 (1) one (1) of the trustees elected under IC 20-12-24-2; and  
8 (2) two (2) of the trustees appointed under IC 20-12-24-3;  
9 may reside in the same county.  
10 (c) The trustees and their successors shall be a body politic, with the  
11 style of "The Trustees of Indiana University"; in that name to sue and  
12 be sued; to elect one (1) of their number president; to elect a treasurer,  
13 secretary, and such other officers as they may deem necessary, to  
14 prescribe the duties and fix the compensation of such officers; to  
15 possess all the real and personal property of such university for its  
16 benefit; to take and hold, in their corporate name any real or personal  
17 property for the benefit of such institution; to expend the income of the

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1 university for its benefit; to declare vacant the seat of any trustee who  
 2 shall absent himself from two (2) successive meetings of the board, or  
 3 be guilty of any gross immorality or breach of the bylaws of the  
 4 institution; to elect a president, such professors and other officers for  
 5 such university as shall be necessary, and prescribe their duties and  
 6 salaries; to employ other persons as necessary; to establish programs  
 7 of fringe benefits and retirement benefits for the university's officers,  
 8 faculty, and other employees that may be supplemental to or in lieu of  
 9 state retirement programs established by statute for public employees;  
 10 to prescribe the course of study and discipline and, **subject to section**  
 11 **2.5 of this chapter, the price of tuition in such university; and to make**  
 12 **all bylaws necessary to carry into effect the powers hereby conferred.**

13 SECTION 2. IC 20-12-23-2.5 IS ADDED TO THE INDIANA  
 14 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 15 [EFFECTIVE JULY 1, 2004]: **Sec. 2.5. Beginning with the 2005-2006**  
 16 **academic year, in setting tuition rates under section 2 of this**  
 17 **chapter, the board of trustees:**

18 (1) **must provide that the tuition charged an undergraduate**  
 19 **student who is a resident of Indiana; and**

20 (2) **may provide that the tuition charged an undergraduate**  
 21 **student who is not a resident of Indiana;**

22 **may be increased by not more than an amount determined under**  
 23 **IC 20-12-76 each year for the four (4) consecutive academic years**  
 24 **following the academic year in which the student first enrolls.**

25 SECTION 3. IC 20-12-36-4 IS AMENDED TO READ AS  
 26 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 4. From and after the  
 27 date of the location made as aforesaid, the corporate name of the  
 28 trustees of the Indiana Agricultural College shall be "The Trustees of  
 29 Purdue University"; and they shall take in charge, have, hold, possess  
 30 and manage, all and singular, the property and money comprehended  
 31 in said donations, as also the fund derived from the sale of the land  
 32 scrip donated under said act of Congress, and the increase thereof, and  
 33 all money or other property which may hereafter at any time be donated  
 34 to and for the use of said institution. They shall also have power to  
 35 organize said university in conformity with the purposes set forth in  
 36 said act of Congress, holding their meetings at such times and places  
 37 as they may agree on, a majority of their number constituting a quorum.  
 38 They shall provide a seal; have power to elect all professors and  
 39 teachers, removable at their pleasure; fix and regulate compensations,  
 40 including programs of fringe benefits and retirement benefits that may  
 41 be supplemental to or in lieu of state retirement programs established  
 42 by statute for public employees; do all acts necessary and expedient to

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put and keep said university in operation; ~~and~~ make all bylaws, rules, and regulations required or proper to conduct and manage the same, **and, subject to section 4.5 of this chapter, set tuition for students of the university.**

SECTION 4. IC 20-12-36-4.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: **Sec. 4.5. Beginning with the 2005-2006 academic year, in setting tuition rates under section 4 of this chapter, the board of trustees:**

(1) **must provide that the tuition charged an undergraduate student who is a resident of Indiana; and**

(2) **may provide that the tuition charged an undergraduate student who is not a resident of Indiana;**

**may be increased by not more than an amount determined under IC 20-12-76 each year for the four (4) consecutive academic years following the academic year in which the student first enrolls.**

SECTION 5. IC 20-12-56-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 5. (a) All powers, rights, privileges, duties, and obligations, statutory, contractual, or of whatever kind, conferred by law upon the State Teachers College board or Indiana State College board for the operation, maintenance, and financing of Indiana State University and its properties and facilities, or otherwise pertaining thereto, are hereby transferred and shall apply to the Indiana State University board of trustees created by this chapter and shall remain in full force and unchanged, notwithstanding the change of name of said college.

(b) All laws of a general nature referring to Indiana State Normal School, the board of trustees of Indiana State Normal School, Indiana State Teachers College, the State Teachers College Board, Indiana State College, the Indiana State College board, and to any public state normal school of the state apply to Indiana State University and the Indiana State University board of trustees with equal force and effect.

**(c) Beginning with the 2005-2006 academic year, in setting tuition rates, the board of trustees:**

(1) **must provide that the tuition charged an undergraduate student who is a resident of Indiana; and**

(2) **may provide that the tuition charged an undergraduate student who is not a resident of Indiana;**

**may be increased by not more than an amount determined under IC 20-12-76 each year for the four (4) consecutive academic years following the academic year in which the student first enrolls.**

SECTION 6. IC 20-12-57.5-11 IS AMENDED TO READ AS

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FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 11. ~~(Board: Body Corporate; Powers)~~ (a) The board of trustees shall constitute a perpetual body corporate with power to:

- ~~(a)~~ (1) manage, control, and operate Ball State University;
- ~~(b)~~ (2) sue and be sued;
- ~~(c)~~ (3) let contracts;
- ~~(d)~~ (4) borrow money and issue bonds as authorized by the Indiana general assembly;
- ~~(e)~~ (5) prescribe conditions for admission;
- ~~(f)~~ (6) grant degrees and issue diplomas or certificates;
- ~~(g)~~ (7) fix laboratory, contingent and other fees and charges;
- ~~(h)~~ (8) set fines and penalties;
- ~~(i)~~ (9) define the duties and provide compensation for faculty and staff of the university including authority to establish fringe benefit programs including retirement benefits which may be supplemental to, or in lieu of, state retirement programs for teachers or other public employees as authorized by law;
- ~~(j)~~ (10) receive and administer all donations, bequests, grants, funds, and property which are given to or provided for the university;
- ~~(k)~~ (11) promulgate rules and regulations pursuant to this chapter;
- ~~(l)~~ (12) exercise all powers, rights, privileges, and duties conferred upon the board by other laws of the general assembly; and
- ~~(m)~~ to (13) possess all other power in order to efficiently operate the affairs of Ball State University.

(b) Beginning with the 2005-2006 academic year, in setting tuition rates, the board of trustees:

- (1) must provide that the tuition charged an undergraduate student who is a resident of Indiana; and
- (2) may provide that the tuition charged an undergraduate student who is not a resident of Indiana;

may be increased by not more than an amount determined under IC 20-12-76 each year for the four (4) consecutive academic years following the academic year in which the student first enrolls.

SECTION 7. IC 20-12-64-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 5. (a) The university may do the following:

- (1) Sue and be sued.
- (2) Let contracts.
- (3) Enter into cooperative agreements with other educational institutions, including agreements leading to the use of the

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1 university as a host site for an educational program administered  
2 by another college or university.

3 (4) Prescribe conditions for admission.

4 (5) Grant degrees and issue diplomas or certificates signifying  
5 that a course of postsecondary study has been completed or a  
6 degree has been conferred.

7 (6) **Subject to subsection (b)**, fix laboratory, contingent, and  
8 other fees and charges.

9 (7) Set fines and other sanctions for noncompliance with a  
10 university contract or rule.

11 (8) Employ a faculty and staff for the university, define the duties  
12 of the faculty and staff, and provide compensation for the faculty  
13 and staff, including a program of fringe benefits and a program of  
14 retirement benefits that may supplement or supersede the state  
15 retirement programs established by statute for teachers or other  
16 public employees.

17 (9) Receive, administer, and dispose of all donations, bequests,  
18 grants, funds, and other property that may be given to the  
19 university or otherwise acquired by the university.

20 (10) Engage in research or public service that furthers an  
21 educational purpose.

22 (11) Exercise all powers, rights, privileges, and duties conferred  
23 upon the university or the board by any statute enacted by the  
24 general assembly.

25 (12) Adopt rules to carry out this chapter.

26 (13) Exercise all other powers necessary to conduct efficiently the  
27 affairs of the university.

28 **(b) Beginning with the 2005-2006 academic year, in setting**  
29 **tuition rates, the board:**

30 **(1) must provide that the tuition charged an undergraduate**  
31 **student who is a resident of Indiana; and**

32 **(2) may provide that the tuition charged an undergraduate**  
33 **student who is not a resident of Indiana;**

34 **may be increased by not more than an amount determined under**  
35 **IC 20-12-76 each year for the four (4) consecutive academic years**  
36 **following the academic year in which the student first enrolls.**

37 SECTION 8. IC 20-12-76 IS ADDED TO THE INDIANA CODE  
38 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
39 JULY 1, 2004]:

40 **Chapter 76. Tuition Rate Increases**

41 **Sec. 1. As used in this chapter, "base tuition" refers to the**  
42 **tuition charged by a state educational institution for the academic**

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year immediately preceding a particular academic year.

Sec. 2. As used in this chapter, "Indiana nonfarm personal income" has the meaning set forth in IC 4-10-21-4.

Sec. 3. As used in this chapter, "state educational institution" refers to any one (1) of the following:

- (1) Indiana University.
- (2) Purdue University.
- (3) Indiana State University.
- (4) Ball State University.
- (5) University of Southern Indiana.

Sec. 4. (a) A state educational institution may increase tuition rates each academic year only by the amount determined under STEP SIX of the following formula:

STEP ONE: Determine the Indiana nonfarm personal income for the calendar year immediately preceding the academic year for which the increase is being determined.

STEP TWO: Determine the Indiana nonfarm personal income for the calendar year immediately preceding the calendar year described in STEP ONE.

STEP THREE: Subtract:

- (A) the amount determined under STEP TWO; from
- (B) the amount determined under STEP ONE.

STEP FOUR: Divide:

- (A) the remainder determined under STEP THREE; by
- (B) the amount determined under STEP TWO.

STEP FIVE: If the percentage determined under STEP FOUR is greater than zero (0) multiply:

- (A) the percentage determined under STEP FOUR; by
- (B) the base tuition.

STEP SIX: Round the quotient determined under STEP FIVE to the nearest whole dollar.

(b) If the percentage determined under STEP FOUR of the formula in subsection (a) is zero (0) or less than zero (0), the tuition rate for an academic year remains unchanged.

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